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Manufacturers' Shipments, Inventories, and Orders

November 1971

U.S. DEPARTMENT OF COMMERCE / Bureau of the Census

FOR RELEASE: January 3, 1972

SERIES: M3-1(71)-11

SUMMARY

New orders for manufactured products in November at $59.8 billion increased $2.3 billion or 4.1 percent from $57.5 billion in October after seasonal adjustment. Shipments increased $1.9 billion or 3.3 percent to $59.3 billion from $57.4 billion in October. Unfilled orders increased $500 million or 0.6 percent to $77.9 billion at the end of November. Manufacturers' inventories remained unchanged at $100.7 billion at the end of November. The inventories to shipments ratio decreased to 1.70 from 1.75.

For the 3 months ending in November, the average change in new orders represents a 1.0 percent increase compared with an 0.6 percent increase for the 3 months ending in August and an 0.1 percent decrease for the 3 months ending in May.

NEW ORDERS

New orders for durable goods at $32.5 billion increased $1.3 billion or 4.3 percent over October. New orders for transportation equipment increased $600 million or 8.8 percent to $7.6 billion. New orders for primary metals and fabricated metal products each increased $300 million in November. Among the supplementary series, household durables increased $300 million to $2.7 billion.

Chart 1 – Manufacturers' New Orders (Seasonally Adjusted)

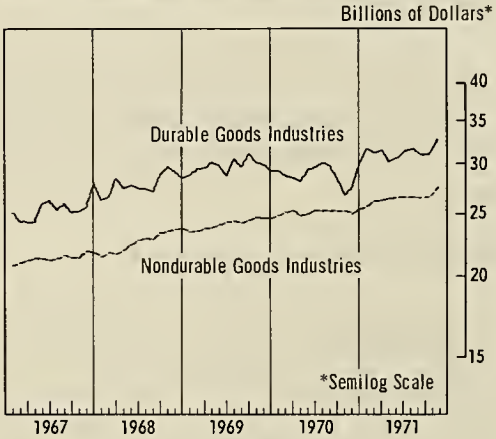
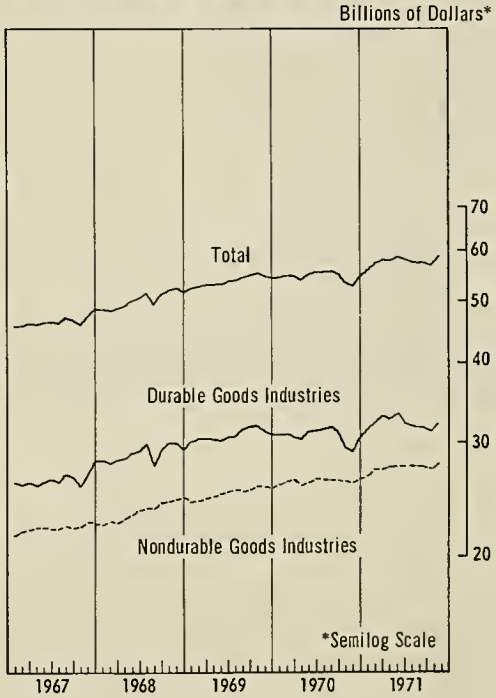


Chart 2 – Manufacturers' Shipments (Seasonally Adjusted)



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SHIPMENTS

Shipments of durable goods increased $900 million or 2.8 percent to $32.0 billion in November. Shipments of primary metals increased $400 million to $4.8 billion. Shipments of nondurable goods increased $1.0 billion or 3.9 percent to $27.3 billion.

UNFILLED ORDERS

Unfilled orders for durable goods increased $400 million to $74.7 billion at the end of November. Unfilled orders for nonelectrical machinery increased $200 million to $14.7 billion.

INVENTORIES

Inventories of durable goods and nondurable goods showed no change in November. At the all manufacturing level, materials and supplies remained unchanged, work-in-process increased $200 million and finished goods decreased $200 million.

SCHEDULED RELEASE DATES

The figures on the durable goods industries in this report supersede those issued earlier in the advance report on durable goods. The advance report is based on a tabulation of early reports and is limited to statistics on shipments, new orders, and unfilled orders for a few broad industry categories. The present report is based on more complete reporting, but the estimates are also considered preliminary. Final figures will appear as historical data in the report to be published for next month. The advance report on durable goods for December is scheduled for release on January 21, 1972 and the full report is scheduled for release on February 1, 1972.

For an explanation of terms used in this report see appendix following table 5.

Inquiries concerning these figures should be addressed to the U.S. Department of Commerce, Bureau of the Census, Industry Division, Washington, D.C. 20233.

Chart 3 – Manufacturers' Unfilled Orders (Seasonally Adjusted)

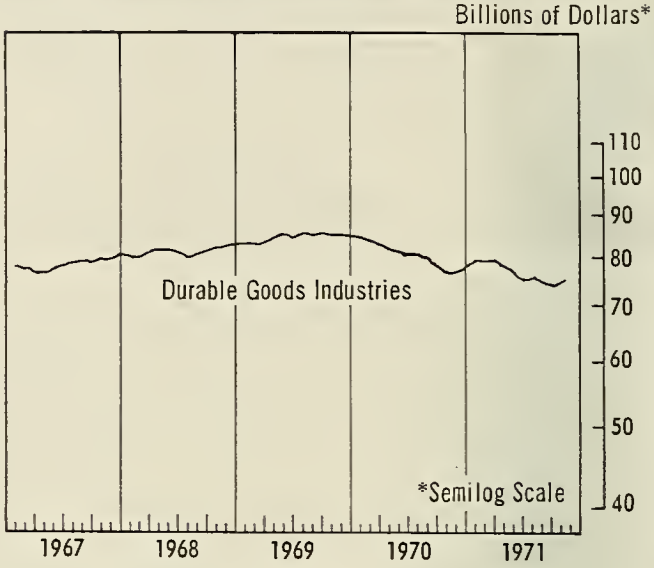

Chart 4 – Total Inventory (Seasonally Adjusted)

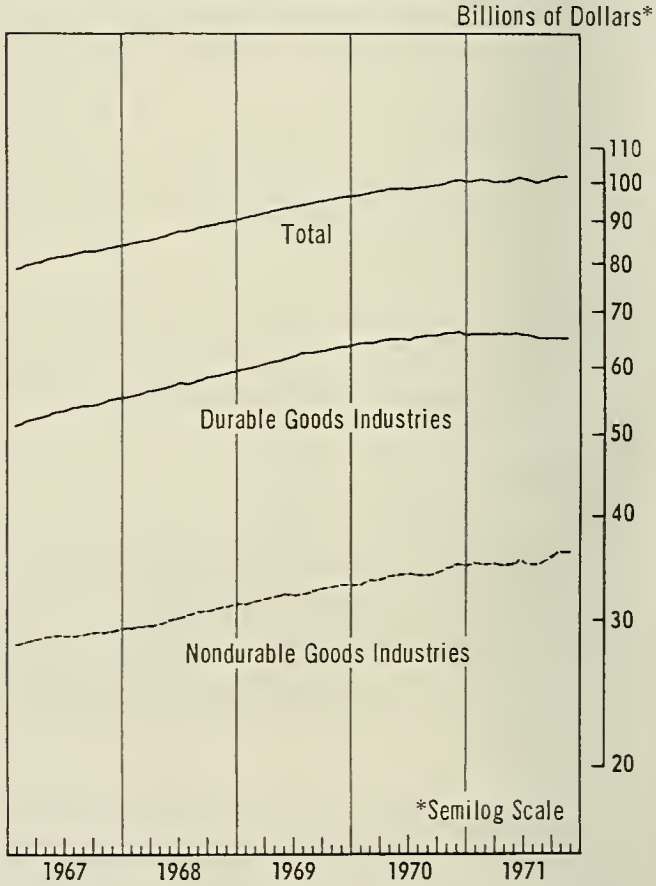

Table 1.--VALUE OF MANUFACTURERS' SHIPMENTS, INVENTORIES, AND ORDERS, BY INDUSTRY GROUP

(Millions of dollars)

Industry group	Seasonally adjusted			Without seasonal adjustment[1]			Seasonally adjusted			Without seasonal adjustment		
	Nov. 1971[p]	Oct. 1971[r]	Sept. 1971	Nov. 1971[p]	Oct. 1971[r]	Nov. 1970	Nov. 1971[p]	Oct. 1971[r]	Sept. 1971	Nov. 1971[p]	Oct. 1971[r]	Nov. 1970
	Shipments						Total inventories					
All manufacturing industries:												
Total	59,340	57,439	57,892	59,665	60,146	52,699	100,723	100,740	100,266	100,036	99,957	100,264
Total, excluding transportation	51,828	50,177	50,272	51,567	52,245	46,774	87,168	87,315	86,773	86,401	86,442	85,886
Durable goods industries, total	32,037	31,166	31,543	32,232	32,617	27,723	64,497	64,494	64,563	63,990	63,962	65,013
Stone, clay, and glass products	1,895	1,772	1,758	1,856	1,942	1,414	2,272	2,296	2,293	2,167	2,170	2,205
Primary metals, total	4,811	4,421	4,270	4,603	4,430	4,169	9,189	9,283	9,230	9,262	9,289	9,311
Blast furnaces, steel mills	2,220	1,901	1,706	2,033	1,796	1,836	4,769	4,875	4,875	4,884	4,933	5,067
All other primary metals	2,591	2,520	2,564	2,570	2,634	2,333	4,420	4,408	4,355	4,378	4,356	4,244
Fabricated metal products, total	3,697	3,547	3,680	3,618	3,686	3,435	7,156	7,372	7,403	6,991	7,247	6,900
Metal cans, barrels, and drums	375	354	364	323	343	296	735	723	755	678	697	739
Machinery, except electrical, total	4,913	5,064	5,186	4,801	5,114	4,336	13,752	13,690	13,686	13,642	13,528	13,918
Engines and turbines	288	296	327	308	277	310	999	975	932	996	980	956
Farm machinery and equipment	460	459	484	358	546	244	1,081	1,046	1,084	1,059	995	1,135
Construction, mining, and material handling equipment	803	835	858	743	805	728	2,759	2,684	2,686	2,743	2,625	2,543
Metalworking machinery	373	403	392	370	396	304	1,194	1,190	1,200	1,194	1,194	1,228
General industrial machinery	436	413	416	417	433	377	1,148	1,161	1,147	1,131	1,136	1,141
Electrical machinery, total	4,605	4,568	4,523	4,725	4,761	4,516	9,879	9,851	9,902	9,729	9,747	10,101
Electrical transmission and distribution equipment and industrial apparatus	941	959	925	937	944	863	2,186	2,182	2,203	2,153	2,165	2,164
Household appliances, including radio and TV	1,018	922	937	1,054	1,030	951	1,918	1,944	1,961	1,848	1,884	1,960
Communication equipment	1,168	1,235	1,245	1,198	1,262	1,312	2,956	2,944	2,956	2,947	2,938	3,102
Transportation equipment, total	7,512	7,262	7,620	8,098	7,901	5,925	13,555	13,425	13,493	13,635	13,515	14,378
Motor vehicles and parts	4,887	4,732	5,153	5,391	5,385	3,048	3,881	3,831	3,854	3,939	3,911	4,102
Aircraft, missiles, and parts	1,984	1,864	1,782	2,058	1,880	2,217	7,440	7,415	7,427	7,466	7,441	8,268
Instruments and related products	961	992	989	1,014	1,050	976	2,435	2,388	2,369	2,385	2,369	2,363
All other durable goods industries	3,643	3,540	3,517	3,517	3,733	2,952	6,259	6,189	6,187	6,179	6,097	5,837
Nondurable goods industries, total	27,303	26,273	26,349	27,433	27,529	24,976	36,226	36,246	35,703	36,046	35,995	35,251
Food and kindred products, total	9,190	8,690	8,667	9,311	9,169	8,352	9,144	9,201	8,909	9,571	9,505	9,194
Meat products	2,093	1,905	1,927	1,988	1,998	1,898	825	842	849	858	842	816
Tobacco products	501	511	503	504	501	461	2,264	2,221	2,185	2,241	2,201	2,199
Textile mill products	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Paper and allied products, total	2,210	2,166	2,211	2,229	2,267	2,068	2,802	2,772	2,740	2,731	2,735	2,685
Pulp, paper, etc.	924	902	925	920	930	871	1,032	1,019	1,013	1,022	1,020	994
Chemicals and allied products, total	4,355	4,266	4,459	4,267	4,368	3,889	6,706	6,730	6,691	6,572	6,566	6,597
Industrial chemicals, except pigments	1,378	1,358	1,451	1,365	1,370	1,240	1,912	1,903	1,878	1,880	1,866	1,933
Petroleum and coal products	2,380	2,373	2,308	2,394	2,381	2,232	2,475	2,474	2,459	2,496	2,516	2,476
Rubber and plastics products, n.e.c.	1,639	1,592	1,637	1,619	1,679	1,367	2,098	2,124	2,064	2,093	2,096	2,149
All other nondurable goods industries	7,028	6,675	6,564	7,109	7,164	6,607	10,737	10,724	10,655	10,322	10,376	9,951
	New orders						Unfilled orders					
All manufacturing industries:												
Total	59,835	57,490	57,322	59,750	60,177	52,144	77,870	77,375	77,325	77,639	77,546	79,199
Total, excluding transportation	52,285	50,520	50,192	51,633	52,420	46,466	53,966	53,537	53,197	53,408	53,334	53,376
Durable goods industries, total	32,455	31,126	31,026	32,229	32,544	27,138	74,740	74,323	74,362	74,306	74,499	76,206
Primary metals, total	4,834	4,488	4,517	4,767	4,561	4,357	5,702	5,680	5,612	5,470	5,306	6,045
Blast furnaces, steel mills	2,265	1,953	2,020	2,199	1,907	1,974	2,981	2,936	2,883	2,790	2,625	3,084
Fabricated metal products	3,664	3,353	3,520	3,464	3,508	3,264	10,472	10,505	10,698	10,395	10,546	10,732
Machinery, except electrical, total	5,129	5,292	5,105	4,950	5,321	4,301	14,723	14,504	14,279	14,668	14,513	14,395
Engines and turbines	229	401	332	266	374	351	5,027	5,084	4,979	5,055	5,096	4,632
Construction, mining, and material handling equipment	871	880	848	753	831	678	2,569	2,501	2,456	2,436	2,426	2,453
Metalworking machinery	382	400	406	359	385	261	1,082	1,073	1,075	1,060	1,071	1,219
General industrial machinery	515	437	387	495	441	394	1,331	1,252	1,229	1,345	1,266	1,131
Electrical machinery, total	4,629	4,737	4,628	4,502	4,789	4,295	14,692	14,669	14,500	14,598	14,821	14,222
Electrical transmission and distribution equipment and industrial apparatus	926	1,068	915	895	990	827	4,065	4,081	3,972	3,933	3,976	3,874
Household appliances, including radio and TV	1,102	956	920	1,034	1,031	875	754	671	638	682	701	617
Communication equipment	1,235	1,218	1,338	1,129	1,275	1,194	6,080	6,013	6,029	6,238	6,307	5,747
Transportation equipment, total	7,580	6,970	7,130	8,117	7,757	5,678	23,904	23,838	24,128	24,231	24,212	25,823
Aircraft, missiles, and parts	2,158	1,639	1,348	1,990	1,738	1,830	17,411	17,237	17,461	17,402	17,470	19,615
All other durable goods industries	6,619	6,286	6,126	6,429	6,608	5,243	5,247	5,127	5,145	5,144	5,101	4,989
Nondurable goods industries, total	27,380	26,364	26,296	27,521	27,633	25,006	3,130	3,052	2,963	3,133	3,047	2,993
Industries with unfilled orders	7,348	7,192	7,006	7,587	7,668	6,761	3,130	3,052	2,963	3,133	3,046	2,993
Industries without unfilled orders	20,032	19,172	19,290	19,964	19,965	18,245	-	-	-	-	-	-

- Represents zero. [p]Preliminary. [r]Revised.

[1]Adjusted for trading-day and calendar-month variations.

[2]Beginning with July 1971, the shipments level for this series appears to be high compared with information shown in other textile series. All data for this industry group are, therefore, withheld pending investigation and revision.

Table 2.--VALUE OF MANUFACTURERS' SHIPMENTS, INVENTORIES, AND ORDERS, FOR MARKET CATEGORIES AND SUPPLEMENTARY SERIES

(Millions of dollars)

Industry group	Seasonally adjusted			Without seasonal adjustment[1]			Seasonally adjusted			Without seasonal adjustment		
	Nov. 1971[p]	Oct. 1971[r]	Sept. 1971	Nov. 1971[p]	Oct. 1971[r]	Nov. 1970	Nov. 1971[p]	Oct. 1971[r]	Sept. 1971	Nov. 1971[p]	Oct. 1971[r]	Nov. 1970
	Shipments						Total inventories					
All manufacturing industries, total..	59,340	57,439	57,892	59,665	60,146	52,699	100,723	100,740	100,266	100,036	99,957	100,264
Durable goods industries, total.....	32,037	31,166	31,543	32,232	32,617	27,723	64,497	64,494	64,563	63,990	63,962	65,013
Nondurable goods industries, total.....	27,303	26,273	26,349	27,433	27,529	24,976	36,226	36,246	35,703	36,046	35,995	35,251
Industry groups arranged by market categories:												
Home goods and apparel.....	5,775	5,326	5,299	5,703	5,824	5,241	10,969	10,911	10,639	10,500	10,522	10,038
Consumer staples.....	11,856	11,302	11,332	12,009	11,958	10,815	13,918	13,953	13,842	14,201	14,184	13,768
Equipment and defense products, except automotive.....	8,300	8,531	8,509	8,252	8,576	8,020	25,459	25,296	25,398	25,369	25,145	26,084
Automotive equipment.....	5,450	5,279	5,733	5,905	5,973	3,630	5,062	5,022	5,028	5,081	5,042	5,250
Construction materials, supplies, and intermediate products.....	5,375	5,146	5,188	5,301	5,433	4,374	8,098	8,201	8,169	7,897	7,975	7,770
Other materials and supplies and intermediate products.....	22,584	21,855	21,831	22,495	22,322	20,619	37,217	37,357	36,990	36,988	37,089	37,354
Supplementary series:[2]												
Household durable goods industries.....	2,567	2,367	2,397	2,580	2,633	2,205	4,974	4,959	4,938	4,815	4,816	4,741
Producers' capital goods industries.....	6,455	6,592	6,652	6,484	6,548	5,840	17,490	17,435	17,461	17,374	17,321	17,411
Defense products industries (old series).	3,578	3,511	3,431	3,640	3,530	3,926	11,332	11,277	11,295	11,354	11,284	12,278
Defense products (new series)*.....	1,840	1,768	1,765	1,888	1,771	2,062	5,558	5,514	5,412	5,577	5,530	6,661
	New orders						Unfilled orders					
All manufacturing industries, total..	59,835	57,490	57,322	59,750	60,177	52,144	77,870	77,375	77,325	77,639	77,546	79,199
Durable goods industries, total.....	32,455	31,126	31,026	32,229	32,544	27,138	74,740	74,323	74,362	74,506	74,499	76,206
Nondurable goods industries, total.....	27,380	26,364	26,296	27,521	27,633	25,006	3,130	3,052	2,963	3,133	3,047	2,993
Industry groups arranged by market categories:												
Home goods and apparel.....	5,889	5,369	5,275	5,719	5,791	5,161	2,312	2,184	2,129	2,260	2,220	1,922
Consumer staples.....	11,870	11,315	11,321	12,031	11,982	10,826						
Equipment and defense products, except automotive.....	8,683	8,493	7,974	8,258	8,583	7,587	43,024	42,633	42,594	43,266	43,126	43,273
Automotive equipment.....	5,459	5,355	5,774	6,035	6,005	3,620						
Construction materials, supplies, and intermediate products.....	5,351	5,004	5,006	5,125	5,309	4,175	10,108	10,132	10,274	9,982	10,157	10,239
Other materials and supplies and intermediate products.....	22,583	21,954	21,972	22,582	22,507	20,775	22,426	22,426	22,328	22,131	22,043	23,765
Supplementary series:[2]												
Household durable goods industries.....	2,657	2,398	2,379	2,573	2,588	2,124	1,889	1,800	1,769	1,821	1,826	1,546
Producers' capital goods industries.....	6,536	6,806	6,425	6,525	6,771	5,861	23,055	22,972	22,759	23,112	23,066	22,504
Defense products industries (old series).	3,931	3,249	3,018	3,572	3,389	3,404	24,215	23,862	24,122	24,319	24,387	26,073
Defense products (new series)*.....	1,993	1,953	1,467	1,799	2,143	1,731	19,219	19,065	18,880	19,476	19,564	19,595

*During 1968 manufacturers in ordnance, communications, aircraft and aircraft parts, and shipbuilding industries began to provide aggregate figures on shipments, orders, and total inventories of work performed for the Department of Defense. The results of these reports are included in these new defense series. Since there are no historic data available to develop separate seasonal factors for these reporters, the data have been seasonally adjusted using the factors of these industries. [p]Preliminary. [r]Revised. [1]Shipments and new orders adjusted for trading-day and calendar-month variations; unfilled orders and inventories as of end of month. [2]The supplementary series are regroupings of the separate industry categories as follows:

Household durable goods industries - Household furniture; kitchen articles and pottery; cutlery, handtools, and hardware; household appliances; ophthalmic goods, watches, and clocks; and miscellaneous personal goods.

Producers' capital goods (formerly machinery and equipment) industries - Machinery, except electrical (excluding farm machinery and equipment and machine shops), electrical machinery (excluding household appliances, communication equipment and electronic components), shipbuilding and repairing, and railroad and street car equipment.

Defense products industries (old series) - Based on reports for companies classified in the communication equipment, complete aircraft, aircraft parts, and ordnance industries. (Thus, this series includes significant amounts of nondefense work in these industries and omits defense work performed in the shipbuilding industry.)

Defense products (new series) - Based on separate reports on defense work filed by large defense contractors in the following industries: ordnance, communications, complete aircraft, aircraft parts, and shipbuilding. Thus, it differs from the old series in that it includes defense activity in shipbuilding and excludes nondefense work in ordnance, communications, complete aircraft, and aircraft parts. The data are comparable to those published annually in the MA-175, Shipments of Defense-Oriented Industries, for the specified industries.

Table 3.--MANUFACTURERS' SHIPMENTS, INVENTORIES, AND ORDERS MONTH-TO-MONTH AND LONG TERM PERCENT CHANGES

(Based on seasonally adjusted data)

Item and industry group	Month-to-month 1971			Average monthly rates of change				Average, 1965-70	
				3 months			12 months		
	Oct.-Nov.	Sept.-Oct.	Aug.-Sept.	Aug.-Nov. 1971	May-Aug. 1971	Feb.-May 1971	Nov. 1970-Nov. 1971	Average rise	Average decline
Shipments:									
All manufacturing industries	+3.3	-0.8	+0.2	+0.9	-0.3	+0.8	+1.0	+1.1	-1.2
Durable goods industries, total	+2.8	-1.2	+0.3	+0.6	-0.4	+1.1	+1.3	+1.8	-1.8
Nondurable goods industries, total	+3.9	-0.3	0.0	+1.2	-0.2	+0.5	+0.8	+1.0	-0.6
Total inventories:									
All manufacturing industries	0.0	+0.5	+0.2	+0.2	-0.2	0.0	0.0	+0.7	-0.3
New Orders:									
All manufacturing industries	+4.1	+0.3	-1.3	+1.0	+0.6	-0.1	+1.1	+1.9	-1.4
Durable goods industries, total	+4.3	+0.3	-2.3	+0.8	+1.3	-0.5	+1.4	+3.2	-2.3
Nondurable goods industries, total	+3.9	+0.3	-0.1	+1.4	-0.1	+0.3	+0.8	+1.0	-0.6
Unfilled orders:									
Durable goods industries, total	+0.6	-0.1	-0.7	-0.1	-0.8	-1.1	-0.2	+1.1	-0.7

Table 4.--VALUE OF MANUFACTURERS' INVENTORIES, BY STAGE OF FABRICATION, BY INDUSTRY GROUP

(Millions of dollars)

Industry group	Seasonally adjusted			Without seasonal adjustment			Seasonally adjusted			Without seasonal adjustment		
	Nov. 1971[p]	Oct. 1971[r]	Sept. 1971	Nov. 1971[p]	Oct. 1971[r]	Nov. 1970	Nov. 1971[p]	Oct. 1971[r]	Sept. 1971	Nov. 1971[p]	Oct. 1971[r]	Nov. 1970
	Total						Materials and supplies					
All manufacturing industries, total	100,723	100,740	100,266	100,036	99,957	100,264	32,358	32,377	32,354	32,412	32,515	31,950
Durable goods industries, total	64,497	64,494	64,563	63,990	63,962	65,013	19,083	19,106	19,306	19,121	19,304	19,047
Stone, clay, and glass products	2,272	2,296	2,293	2,167	2,170	2,205	745	744	755	739	740	741
Primary metals	9,189	9,283	9,230	9,262	9,289	9,311	3,435	3,471	3,519	3,580	3,611	3,499
Machinery (electrical and nonelectrical)	23,631	23,541	23,588	23,371	23,275	24,019	6,407	6,284	6,376	6,346	6,270	6,241
Transportation equipment	13,555	13,425	13,493	13,635	13,515	14,378	2,844	2,862	2,814	2,864	2,930	3,269
All other durable goods industries	15,850	15,949	15,959	15,555	15,713	15,100	5,652	5,745	5,842	5,592	5,753	5,297
Nondurable goods industries, total	36,226	36,246	35,703	36,046	35,995	35,251	13,275	13,271	13,048	13,291	13,211	12,903
Chemicals and allied products	6,706	6,730	6,691	6,572	6,566	6,597	2,289	2,331	2,343	2,277	2,311	2,297
Petroleum and coal products	2,475	2,474	2,459	2,496	2,516	2,476	538	558	567	534	561	564
Rubber and plastics products, n.e.c.	2,098	2,124	2,064	2,093	2,096	2,149	662	645	622	664	652	734
All other nondurable goods industries	24,947	24,918	24,489	24,885	24,817	24,029	9,786	9,737	9,516	9,816	9,687	9,308
	Work in process						Finished goods					
All manufacturing industries, total	33,955	33,729	33,699	33,794	33,572	34,658	34,410	34,634	34,213	33,830	33,870	33,656
Durable goods industries, total	28,724	28,541	28,532	28,621	28,422	29,565	16,690	16,847	16,725	16,248	16,236	16,401
Stone, clay, and glass products	293	290	304	270	267	291	1,234	1,262	1,234	1,158	1,163	1,173
Primary metals	3,082	3,123	3,112	3,076	3,083	3,202	2,672	2,689	2,599	2,606	2,595	2,610
Machinery (electrical and nonelectrical)	10,658	10,619	10,602	10,597	10,558	11,240	6,566	6,638	6,610	6,428	6,447	6,538
Transportation equipment	9,318	9,187	9,290	9,391	9,224	9,651	1,393	1,376	1,389	1,380	1,361	1,458
All other durable goods industries	5,373	5,322	5,224	5,287	5,290	5,181	4,825	4,882	4,893	4,676	4,670	4,622
Nondurable goods industries, total	5,231	5,188	5,167	5,173	5,150	5,093	17,720	17,787	17,488	17,582	17,634	17,255
Chemicals and allied products	887	875	879	875	872	857	3,530	3,524	3,469	3,420	3,383	3,443
Petroleum and coal products	484	475	466	475	475	455	1,453	1,441	1,426	1,487	1,480	1,457
Rubber and plastics products, n.e.c.	339	325	320	339	330	330	1,097	1,154	1,122	1,090	1,114	1,085
All other nondurable goods industries	3,521	3,513	3,502	3,484	3,473	3,451	11,640	11,668	11,471	11,585	11,657	11,270

[p]Preliminary.
[r]Revised.

Chart 5 – Ratio of Manufacturers' Inventories to Shipments and Unfilled Orders to Shipments, Durable Goods Industries (Seasonally Adjusted)

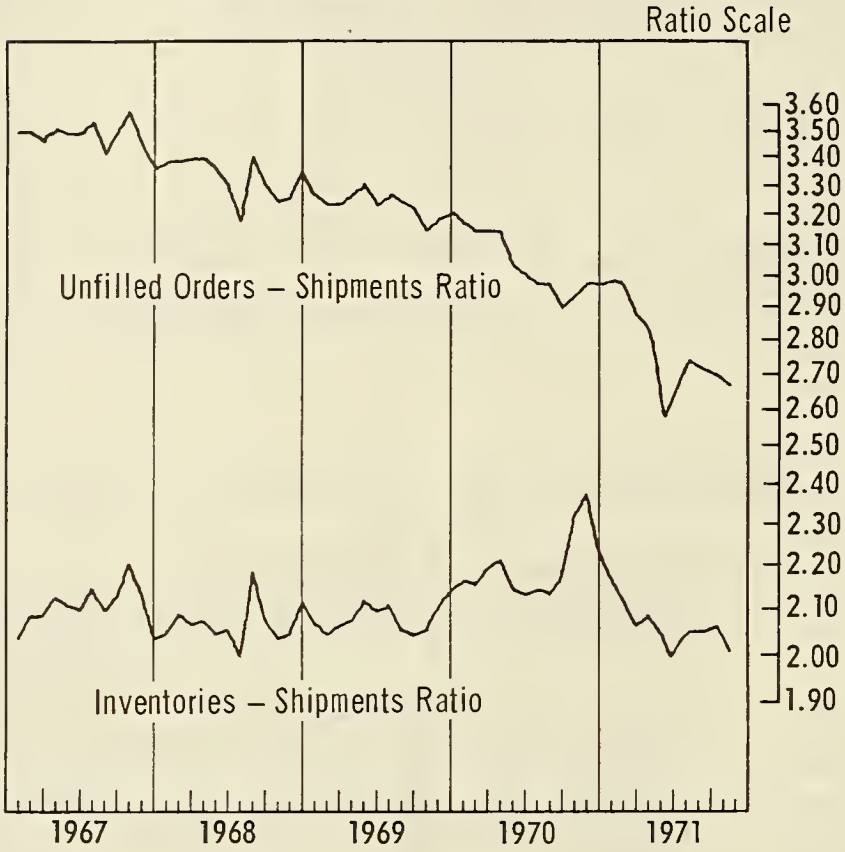

Table 5.--RATIO OF MANUFACTURERS' INVENTORIES TO SHIPMENTS AND UNFILLED ORDERS TO SHIPMENTS, BY INDUSTRY GROUP

(Based on seasonally adjusted data)

Industry group	Inventories - shipments ratio				Unfilled orders - shipments ratio[1] (months' backlog)			
	Nov. 1971[p]	Oct. 1971[r]	Sept. 1971	Nov. 1970	Nov. 1971[p]	Oct. 1971[r]	Sept. 1971	Nov. 1970
All manufacturing industries, total	1.70	1.75	1.73	1.92	2.20	2.24	2.24	2.46
Durable goods industries, total	2.01	2.07	2.05	2.37	2.65	2.70	2.71	2.97
Stone, clay, and glass products	1.20	1.30	1.30	1.60	(NA)	(NA)	(NA)	(NA)
Primary metals	1.91	2.10	2.16	2.14	1.19	1.28	1.31	1.46
Fabricated metals	1.94	2.08	2.01	2.01	3.15	3.29	3.23	3.42
Machinery, except electrical	2.80	2.70	2.64	3.18	3.00	2.86	2.75	3.28
Electrical machinery	2.15	2.16	2.19	2.33	3.19	3.21	3.21	3.25
Transportation equipment	1.80	1.85	1.77	2.55	5.65	5.74	5.97	6.08
Instruments and related products	2.53	2.41	2.40	2.60	(NA)	(NA)	(NA)	(NA)
Nondurable goods industries, total	1.33	1.38	1.36	1.42	0.43	0.43	0.42	0.46
Food and kindred products	0.99	1.06	1.03	1.06	(X)	(X)	(X)	(X)
Tobacco products	4.52	4.35	4.34	4.85	(X)	(X)	(X)	(X)
Textile mill products	([2])	([2])	([2])	([2])	(NA)	(NA)	(NA)	(NA)
Paper and allied products	1.27	1.28	1.24	1.33	(NA)	(NA)	(NA)	(NA)
Chemicals and allied products	1.54	1.58	1.50	1.69	(X)	(X)	(X)	(X)
Petroleum and coal products	1.04	1.04	1.07	1.11	(X)	(X)	(X)	(X)
Rubber and plastics products, n.e.c.	1.28	1.33	1.26	1.56	(X)	(X)	(X)	(X)

(NA) Not available. [p]Preliminary. [r]Revised. (X) Not applicable.

[1]Excludes the following industries with no unfilled order: Wooden containers; glass containers; metal cans, barrels and drums; motor vehicle assembly operations; foods and related products; tobacco; apparel and related products; chemicals; petroleum and coal products; and rubber and plastics products, n.e.c.

[2]Beginning with July 1971, the shipments level for this series appears to be high compared with information shown in other textile series. All data for this industry group are, therefore, withheld pending investigation and revision.

Appendix

The following is a description of the survey and definitions used. These are provided to clarify the meaning of the items involved and do not represent any revisions from those definitions previously employed.

DESCRIPTION OF THE SURVEY

The Manufacturers' Shipments, Inventories, and Orders survey provides monthly figures that are comparable to the annual totals published each year in the annual survey of manufactures (ASM). The ASM is based on a sample of approximately 60,000 manufacturing establishments drawn from the 5-year census universe of about 310,000 establishments. In the ASM, each manufacturing establishment provides data on employment, payrolls, shipments, cost of materials, capital expenditures, and inventories as well as other selected items. The establishments do not provide information on unfilled orders or new orders. Since the ASM is establishment based, it provides data for each of the 425 manufacturing industries in the Standard Industrial Classification System (SIC) and area data for industry groups.

The monthly survey M3-1 does not provide information at the complete SIC industry detail because of the smaller size of the reporting panel and the fact that most companies cannot provide shipments, inventories, and orders data monthly for individual establishments.

The monthly reporting panel consists of approximately 5,000 reporting units and includes virtually all companies with 1,000 or more employees and a sample of the smaller ones. The reporting unit typically comprises the entire operations of a company although many of the larger diversified companies file separate divisional type reports for their operations in different industries.

Most of the reporting units include mixed industry activity even within the broad industry categories of the monthly survey. The survey methodology assumes that the month-to-month changes of the reporting units classified in each industry category represent effectively the month-to-month movements of the establishments in the SIC industries which make up the category. Thus, the monthly reports are used to update the ASM estimates by using a link relative of matched companies in each industry.

EXPLANATION OF TERMS

Value of Shipments--Shipments in the monthly survey are equivalent to value of shipments as reported in the ASM which are received or receivable net selling values, f.o.b. plant, after discounts and allowances and excluding freight charges and excise taxes. Included in shipments are the value of all products sold, transferred to other plants of the same company, or shipped on consignment.

Shipments also include receipts of establishments in the industry for contract work performed for others, resales, receipts for miscellaneous activities such as the sale of scrap and refuse; value of installation and repair work performed by employees of the plant; and value of research and development performed at the plant. In the aircraft industry and shipbuilding, the value of work done in a given year varies considerably from the value of shipments because of the long lead time between the input of the materials and labor and the shipments of the completed aircraft or ship. In the annual survey, therefore, the value of work done during the year is requested rather than the value of shipments.

The value of shipments figures developed from the ASM contain duplication at the all manufacturing and industry group levels since the products of some industries are used as materials by other industries within the industry group. With the exception of motor vehicles, it is not significant at the 4-digit SIC group level. Since the M3-1 industry categories typically are groupings of industries, this duplication is significant for the all manufacturing, durable goods and nondurable goods categories and the various market groups. The significance of the duplication within the specific M3-1 industry groups varies depending on the 4-digit industry composition of these groups. It is most pronounced in a few highly integrated industry areas such as primary metals and motor vehicles and parts.

Since most monthly reports are for the entire company or major divisions rather than establishments, the companies are requested to report net sales, i.e., total company billings after discounts and allowances. Companies which file divisional reports are requested to treat transfers from one division of the company to another as if they were net sales to outside customers. Although this

definition of shipments in the monthly reports differs from that used in the annual establishment reports, it is assumed that the month-to-month changes in company sales in the industry are representative of the month-to-month shipments of the establishments in the industry.

Inventories--End-of-month inventories in the monthly survey are identical in definition to the end-of-year inventories in the ASM. In the ASM, respondents are asked to report inventories of individual establishments at approximate current cost if feasible; otherwise, "at book values." Since different methods of inventory valuation are used (LIFO, FIFO, etc.), the definition of the aggregate inventories for establishments in an industry is not precise. The figures on the change in inventories from one period to the next are of greater significance than the actual aggregates.

Inventories are reported by stage of fabrication: (a) finished goods; (b) work in process; and (c) materials, supplies, fuel, and other inventories. In using inventories by stage of fabrication at the all manufacturing and 2-digit industry levels as well as for the durable and nondurable goods sectors, it should be noted that a finished product of one industry may be a raw material for another industry at the next stage of fabrication. Insofar as the durable and nondurable goods sectors and also the 2-digit industry groups contain industries with successive stages of processing, the same type of commodity may be included under different inventory categories in the aggregate statistics.

New Orders Received and Unfilled Orders--Orders as reported in the monthly survey are net of cancellations during the month. They include orders received during the period and also filled during the period as well as those orders received for future delivery. They also include the net sales value of contract change documents which increase or decrease the sales value of the unfilled orders to which they relate. Orders include only those supported by binding legal documents such as signed contracts, or letter contracts. In case of letter contracts the full amount of the sales value is included if the parties are in substantial agreement on the amount; otherwise, only the funds specifically authorized to be expended are included. The respondent is instructed to deduct the sales value of paritial or complete cancellation of existing orders.

Unfilled orders include orders as defined above that have not yet passed through the sales account. Generally, unfilled orders at the end of the reporting period are equal to unfilled orders at the beginning of the period plus net new orders received less net sales.

While both new orders and unfilled orders are used in reviewing individual company reports for consistency, only unfilled orders are estimated directly in the tabulated totals. New orders are derived from the shipments plus net change in unfilled orders for each industry category. This procedure is followed for seasonally adjusted data as well as for the unadjusted data. Shipments and unfilled orders are seasonally adjusted independently. Seasonally adjusted new orders are derived from seasonally adjusted shipments and seasonally adjusted unfilled orders.

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